

**IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
21st JUDICIAL DISTRICT, LEWIS COUNTY**

KEVIN P. LAVENDER, ET AL)	
Plaintiffs)	
)	
vs.)	NO. 4980
)	
)	JURY DEMAND
DANNY N. BATES, ET AL)	
Defendants)	

Comes Defendant Deanna June Bates, adopting and incorporating herein by reference as fully as if copied herein verbatim the affirmative allegations of Part I of the Answer and Special Defenses of Defendants Danny N. Bates and Sentinel Services Corporation and Part III, Special Defenses, of same, and further responding to Plaintiffs' Complaint with the following answer and preliminarily making affirmative allegations as part of the basis of the denials in her answer:

SECOND: Defendant denies that she held or exercised any management capacity or office with Sentinel Trust Company or Sentinel Services Corporation or that she held any authority to write checks on any bank account of either Sentinel Trust Company or Sentinel Services Corporation.

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Trust Company, having been advised by her husband that he had transferred 25,000 shares of Sentinel Trust Company into her name to be purchased by an employee stock ownership plan (ESOP) of Sentinel Trust Company with proceeds of a key man life insurance policy owned by the ESOP payable on his death and, later, having been advised that 900,000 shares of Sentinel Trust Company had been registered with him as joint tenant with right of survivorship for estate planning purposes.

FOURTH: Defendant never held or exercised any management or directorial authority over Sentinel Trust Company and was never an employee or officer of Sentinel Trust Company.

FIFTH: Sentinel Trust Company conducted business and its operations at my residence from 1998 until about April, 2001, and with continuing limited operations from the residence in the nature of computer backup and storage until about June, 2003, when my husband ceased using the premises for that purpose at my request.

SIXTH: Defendant admits she owns the Bates residence at 205 Bastin Road, Hohenwald, Tennessee.

SEVENTH: All allegations not specifically admitted as set forth above are DENIED as to lack of information or facts to confirm or deny the truthfulness of

the allegations.

PART II.

ANSWER

For answer to the specific allegations of the numbered parts and paragraphs of the Complaint, Defendant makes the following responses:

§1. DENIED as to lack of information and facts to support the allegations and DENIED as to authority to a lien *lis pendens*.

§2. ADMITTED that LAVENDER purports to be acting as Commissioner of the Tennessee Department of Financial Institutions but DENIED that his actions are authorized by his official capacity or that his official capacity empowers him to file such Complaint.

§3. DENIED as to identity of Receiver. Pursuant to notice filed in the Lewis County Chancery Court on May 18, 2004, LAVENDER appointed the entity "Jeanne Barnes Bryant/Receivership Management, Inc." as Receiver.

§4. ADMITTED.

§5. ADMITTED that my son Clifton Todd Bates resides at 312 Bastin Road.

§6. DENIED as to lack of information or facts to confirm or deny the

truthfulness of the allegations.

§7 - §9. ADMITTED.

§10 - §20. DENIED as to lack of information or facts to confirm or deny the truthfulness of the allegations.

§21 - §22. ADMITTED.

§23 - §37. DENIED as to lack of information or facts to confirm or deny the truthfulness of the allegations.

§38. DENIED as to lack of information or facts to confirm or deny the truthfulness of the allegations. In fact, the residence does not have an “indoor-outdoor swimming pool” as alleged.

§39 – §42. DENIED as to lack of information or facts to confirm or deny the truthfulness of the allegations.

§43. DENIED that Defendant made direct withdrawals of approximately \$74,000. In fact, Defendant had no check writing or withdrawal authority over any bank account but her own personal account.

§44 - §128. DENIED as to lack of information or facts to confirm or deny the truthfulness of the allegations.

§129 - §134. DENIED as to characterization of motivation of Danny Bates. ADMITTED that Defendant Deanna June Bates owns the Bates residence at 205 Bastin Road, Hohenwald, Tennessee.

WHEREFORE, PREMISES CONSIDERED, Defendant prays for relief as follows:

- (a) a dismissal of the Complaint against Defendant and removal of any lien *lis pendens* regarding property held in conjunction to this case;
- (b) trial by jury of the allegations set forth herein, in the event this Complaint is not dismissed;
- (c) monetary judgments to be awarded to Defendant for attorney fees and other costs and expenses associated with this case; and,
- (d) all other relief as warranted by equity and justice.

Respectfully submitted,

Schwendimann & Associates

By: 

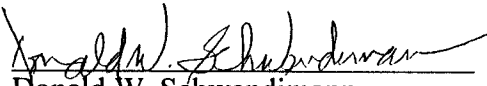
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CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that I have mailed copies of the foregoing Answer, by depositing said copies in the U.S. Mail, postage prepaid, this 22nd day of July, 2005 to:

J. Graham Matherne
Wyatt, Tarrant and Combs, LLP
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